

Annual Procedures Report

Revised by Act of 1968, as amended and P.A. 71 of 1919, as amended.

Unit of Government Type County <input type="checkbox"/> City <input type="checkbox"/> <input checked="" type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name FORESTER TOWNSHIP	County SANILAC
iscal Year End 3-31-06	Opinion Date MAY 18, 2006	Date Audit Report Submitted to State 6/6/06	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

2

Check each applicable box below. (See instructions for further detail.)

1. ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☒ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☒ ☐ The local unit has adopted a budget for all required funds.
5. ☒ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☒ ☐ The local unit is free of repeated comments from previous years.
12. ☐ ☒ The audit opinion is UNQUALIFIED.
13. ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)
Financial Statements	<input checked="" type="checkbox"/>	
The letter of Comments and Recommendations	<input type="checkbox"/>	N/A
Other (Describe)	<input type="checkbox"/>	N/A
Certified Public Accountant (Firm Name) ANDERSON, TUCKEY, BERNHARDT & DORAN, P.C.		Telephone Number 989-673-3137
Street Address 715 E FRANK ST		City CARO
State MI		Zip 48723
Authorizing CPA Signature <i>Gary R Anderson</i>	Printed Name GARY R ANDERSON	License Number 110100544

**TOWNSHIP OF FORESTER
SANILAC COUNTY
Deckerville, Michigan**

**Report of Financial Statements
March 31, 2006**

Table of Contents

Page Number

REPORT OF INDEPENDENT AUDITORS

GENERAL PURPOSE FINANCIAL STATEMENTS

<i>Combined Balance Sheet - All Fund Types & Account Groups</i>	<i>1</i>
<i>Combined Statement of Revenues, Expenditures & Changes In Fund Balance - All Governmental Fund Types</i>	<i>2</i>
<i>Combined Statement of Revenues, Expenditures & Changes In Fund Balance - Budget and Actual - General & Special Revenue Funds</i>	<i>3</i>
<i>Notes to the Financial Statements</i>	<i>4 - 10</i>

FINANCIAL STATEMENTS OF INDIVIDUAL FUNDS

<i>CURRENT TAX COLLECTION FUND:</i>	
<i>Schedule of Changes in Assets and Liabilities</i>	<i>11</i>

May 18, 2006

REPORT OF INDEPENDENT AUDITOR'S

Township of Forester
Sanilac County
Deckerville, MI 48427

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Township of Forester as of and for the year ended March 31, 2006, which collectively comprise the Township's basic financial statements required by accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Forester Township management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Management has not presented government-wide financial statements to display the financial position and changes in the financial position of its governmental activities. Accounting principles generally accepted in the United States of America require the presentation of government-wide financial statements. The amounts that would be reported in government-wide financial statements for the Township of Forester's governmental activities are not reasonably determinable.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township of Forester, as of March 31, 2006, or changes in its financial position or cash flows where applicable, for the year then ended.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental financial information listed in the Table of Contents is presented for purposes of additional analysis and is not a required part of the general-purpose financial statements of Forester Township. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

Anderson, Tuckey, Bernhardt & Doran, P.C.

**ANDERSON, TUCKEY, BERNHARDT & DORAN, P.C.
CERTIFIED PUBLIC ACCOUNTANTS**

GENERAL PURPOSE FINANCIAL STATEMENTS

TOWNSHIP OF FORESTER, SANILAC COUNTY
Combined Balance Sheet -
All Fund Types and Account Group
March 31, 2006

	<u>GOVERNMENTAL FUND TYPES</u>	<u>ACCOUNT GROUP</u>	
	<u>GENERAL FUND</u>	<u>GENERAL FIXED ASSETS</u>	<u>TOTALS (MEMORANDUM ONLY)</u>
<u>ASSETS</u>			
Cash	\$ 141,113		\$ 141,113
Investments	-		-
Fixed assets		\$ 53,516	53,516
<u>TOTAL ASSETS</u>	<u>\$ 141,113</u>	<u>\$ 53,516</u>	<u>\$ 194,629</u>
<u>LIABILITIES & FUND EQUITY</u>			
Liabilities:	-	-	-
Total Liabilities	-	-	-
Fund Equity:			
Investment in general fixed assets		\$ 53,516	\$ 53,516
Fund balance	\$ 141,113		141,113
Total Fund Equity	141,113	53,516	194,629
<u>TOTAL LIABILITIES & FUND EQUITY</u>	<u>\$ 141,113</u>	<u>\$ 53,516</u>	<u>\$ 194,629</u>

See notes to the financial statements.

TOWNSHIP OF FORESTER, SANILAC COUNTY
Combined Statement of Revenues, Expenditures
and Changes in Fund Balance - All Governmental
Fund Types for the Year Ended March 31, 2006

	<u>GENERAL FUND</u>
REVENUES:	
Property taxes	\$ 37,398
Charges for services	24,249
State shared revenue	74,833
Interest	3,597
Other revenues	<u>11,407</u>
TOTAL REVENUES	<u>151,484</u>
EXPENDITURES:	
Legislative	5,501
Executive	18,282
Clerk	10,836
Board of review	497
Treasurer	16,784
Election	1,495
Township hall	3,281
Zoning board	10,075
Cemetery operations	6,675
Fire runs	2,200
Highways & streets	56,449
Public safety	14,600
Other	<u>12,711</u>
TOTAL EXPENDITURES	159,386
EXCESS OF REVENUES OVER	
(UNDER) EXPENDITURES	<u>(7,902)</u>
FUND BALANCE - APRIL 1	<u>149,015</u>
FUND BALANCE - MARCH 31	<u>\$ 141,113</u>

See notes to the financial statements.

TOWNSHIP OF FORESTER, SANILAC COUNTY
Combined Statement of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual -
General and Special Revenue Funds
for the Year Ended March 31, 2006

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE- FAVORABLE (UNFAVORABLE)
REVENUES:			
Property taxes	\$ 39,200	\$ 37,398	\$ (1,802)
Charges for services	19,800	24,249	4,449
State shared revenue	73,000	74,833	1,833
Interest	800	3,597	2,797
Other revenues	5,000	11,407	6,407
TOTAL REVENUES	137,800	151,484	13,684
EXPENDITURES:			
Legislative	6,028	5,501	527
Executive	20,435	18,282	2,153
Clerk	10,625	10,836	(211)
Board of review	1,010	497	513
Treasurer	20,205	16,784	3,421
Election	1,696	1,495	201
Township hall	16,357	3,281	13,076
Zoning board	9,023	10,075	(1,052)
Cemetery operations	6,339	6,675	(336)
Fire runs	3,000	2,200	800
Highways & streets	59,120	56,449	2,671
Public safety	15,000	14,600	400
Other	12,052	12,711	(659)
TOTAL EXPENDITURES	180,890	159,386	21,504
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (43,090)	(7,902)	\$ 35,188
FUND BALANCE - APRIL 1		149,015	
FUND BALANCE - MARCH 31		\$ 141,113	

See notes to the financial statements.

TOWNSHIP OF FORESTER, SANILAC COUNTY
Notes to the Financial Statements
March 31, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

DESCRIPTION OF TOWNSHIP OPERATIONS & FUND TYPES:

The Township of Forester, Michigan covers an area of approximately 34 square miles within Sanilac County. The Township operates under an elected Board of Trustees (5 members) and provides services to its more than 900 residents in many areas including law enforcement, administration of justice, community enrichment and development and human services.

The financial statements of the Township of Forester have been prepared in conformity with U.S. generally accepted accounting principals (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

A. REPORTING ENTITY:

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP, currently GASB Statement #14, the Financial Reporting Entity.

Based upon the application of these criteria, the general purpose financial statements of the TOWNSHIP OF FORESTER contain all the funds and account groups controlled by the Township's Board of Trustees as no other entity meets the criteria to be considered a blended component unit or a discretely presented component of the Township nor is the Township a component unit of another entity.

B. FUND ACCOUNTING:

The government uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types".

GOVERNMENTAL FUNDS - are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital project funds), and the servicing of general long-term debt (debt service funds). The general fund is used to account for all activities of the general government not accounted for in some other funds.

PROPRIETARY FUNDS - are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise fund) or to other departments or agencies primarily within the government (internal service fund).

TOWNSHIP OF FORESTER, SANILAC COUNTY
Notes to the Financial Statements
March 31, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued):

B. FUND ACCOUNTING, (Continued):

FIDUCIARY FUNDS - are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government.

ACCOUNT GROUPS - are used to account for fixed assets and long-term liabilities which are not reported in the respective governmental funds.

C. BASIS OF ACCOUNTING:

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increase (i.e. revenues and other financing sources) and decrease (i.e. expenditures and other financing uses) in net current assets.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations of these funds are included on the balance sheet. Fund equity (i.e. net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increased (i.e. revenues) and decrease (i.e. expenses) in net total assets.

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e. when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The government considers property taxes as available if they are collected within 60 days after year-end. A one-year availability period is used for revenue recognition for all other governmental fund revenues susceptible to accrual. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due.

Those revenues susceptible to accrual are property taxes, federal and state grants, special assessments, licenses, interest revenue and charges for services. Fines, permits and sales tax and other state revenues are not susceptible to accrual because generally they are not measurable until received in cash.

The accrual basis of accounting is utilized by proprietary fund types. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

The government reports deferred revenue on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise the resources are received by the government before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

TOWNSHIP OF FORESTER, SANILAC COUNTY
Notes to the Financial Statements
March 31, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued):

D. BUDGETS AND BUDGETARY ACCOUNTING:

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the general and special revenue funds. All annual appropriations lapse at fiscal year-end.

Encumbrances represent commitments related to unperformed contracts for goods or services. The Township does not utilize encumbrance accounting.

E. CASH AND INVESTMENTS:

Cash includes amounts in petty cash and demand deposits. Investments included instruments allowed by state statute subsequently described. Investments are carried at fair market value.

State statutes authorized the Township to invest in bonds, securities, and other direct and certain indirect obligations of the U.S. Treasury, which include securities issued or guaranteed by the Government National Mortgage Association; certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank, savings and loan association, or credit union, which is a member of the Federal Deposit Insurance Corporation, Federal Savings and Loan Insurance Corporation, Federal Savings and Loan Insurance; Corporation, or National Credit Union Administration, respectively; and in commercial paper rated at the time of purchase within the three highest classifications established by not less than two standard rating services and which matures not more than 270 days after the date of purchase and not totaling more than 40% of any fund at any time. The Township is also authorized to invest in U.S. Government of federal agency obligation repurchase agreements, bankers' acceptance of U.S. banks, and mutual funds composed of investments as outlined above.

F. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES:

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payable are classified as "due from other funds" or "due to other funds" on the balance sheet.

G. RECEIVABLES:

Receivables consist primarily of amounts for taxes and customers charges. No allowance for doubtful accounts is considered necessary and credit risk is minimal because of the large number of customers and the authority of the Township to add receivables to the tax rolls which are secured by the underlying property.

TOWNSHIP OF FORESTER, SANILAC COUNTY
Notes to the Financial Statements
March 31, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued):

H. FIXED ASSETS:

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. All purchased fixed assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received. Fixed assets purchased within the proprietary funds and the non-expendable trust fund are reported as assets within those funds and accordingly, are included on their balance sheet.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Public domain ("infrastructure") general fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are not capitalized, as these assets are immovable and of value only to the government. Primarily because of this policy, total expenditures for capital improvements in the governmental funds do not equal total additions to the general fixed assets account group.

I. LONG-TERM OBLIGATIONS:

Long-term debt is recognized as a liability of a governmental fund when due. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

J. FUND EQUITY:

Contributed capital is recorded in proprietary funds that have received capital grants or contributions from developers, customers or other funds. Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

K. INTERFUND TRANSACTIONS:

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Non-recurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

TOWNSHIP OF FORESTER, SANILAC COUNTY
Notes to the Financial Statements
March 31, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued):

L. MEMORANDUM ONLY - TOTAL COLUMNS:

The total columns on the combined statements are captioned memorandum only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data. Prior year memorandum total amounts have been updated for comparative purpose.

M. COMPARATIVE DATA:

Comparative data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the Township's financial position and operations. However, comparative (i.e., presentation of prior year totals by fund type) data have not been presented in each of the statements since their inclusion would make the statements unduly complicated and difficult to understand.

NOTE 2 - CHANGES IN GENERAL FIXED ASSETS:

A summary of changes in general fixed assets follows:

	BALANCE MARCH 31, <u>2005</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	BALANCE MARCH 31, <u>2006</u>
Building & Equipment	<u>\$52,237</u>	<u>\$1,279</u>	<u>\$ -</u>	<u>\$53,516</u>
TOTAL	<u>\$52,237</u>	<u>\$1,279</u>	<u>\$ -</u>	<u>\$53,516</u>

NOTE 3 - CASH AND INVESTMENTS:

Cash and investments are held separately by each of the Township's funds.

DEPOSITS:

At year-end, the carrying amount of the Township's deposits was \$141,113 and the bank balance was \$141,483, all of which was covered by federal depository insurance.

INVESTMENTS:

The Township's investments are categorized to give an indication of the level of risk assumed by the Township at year-end. Category 1 includes investments that are insured or registered, or securities held by the Township's or the Township's agent in the Township's name. Category 2 includes investments that are uninsured and unregistered, with securities held by the counterpart's trust department or its agent in the Township's name. Category 3 includes investments that are uninsured and unregistered, with the securities held by the counter-party, or by its trust department or its agent but not in the Township's name. At March 31, 2006, the Township had no Category 1, 2 or 3 investments. Additional disclosures required by GASB 40 are not included in the accompanying financial statements.

TOWNSHIP OF FORESTER, SANILAC COUNTY
Notes to the Financial Statements
March 31, 2006

NOTE 3 - CASH AND INVESTMENTS, (Continued):

Deposits are carried at cost. Deposits of the Township are at banks in the name of the Township Treasurer.

The Governmental Accounting Standards Board Statements No. 3 risk disclosures for cash deposits are as follows:

	<u>CARRYING AMOUNT</u>	
	<u>UNRESTRICTED</u>	<u>RESTRICTED</u>
	<u>ASSETS</u>	<u>ASSETS</u>
Cash – checking	\$ 55,255	
Certificates of deposit	<u>85,858</u>	<u> </u>
Total	<u>\$141,113</u>	<u>NONE</u>

All deposits are uncollateralized and insured.

NOTE 4 - LEGAL COMPLIANCE - BUDGETS:

The Township follows these procedures in establishing the budgetary data reflected in the financial statements.

1. On or prior to March 31 of each year, a proposed budget is submitted to the Board of Trustees for the fiscal year commencing the following April 1. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted to obtain taxpayers comments.
3. Prior to March 31, the budget is legally enacted through passage of a resolution.
4. Any revisions of the budget must be approved by the Board of Trustees.
5. Formal budgetary integration is employed as a management control device during the year for the general fund and special revenue funds.
6. Budgets for general and special revenue funds are adopted on a basis consistent with generally accepted accounting principles. Budgeted amounts are as originally adopted, or as amended by the Board of Trustees during the fiscal year. Individual amendments were not material in relation to the original appropriations, which were amended.
7. The budget is prepared by fund and function and includes information on the past year, current year estimates and requested appropriations for the next fiscal year. Expenditures may not exceed budget at the function level.

NOTE 5 - PROPERTY TAX REVENUE:

Property taxes become an enforceable lien on the property as of December 1. Taxes are levied on December 1 and are due in February of the following year. The Township bills and collects its own property taxes and also taxes for the county, intermediate school district and school districts. All tax collections are accounted for in the tax collection fund, an agency fund. Township tax revenues are recognized in the fiscal year that includes the December 1 levy date. In addition, the Township collected the State Education Tax and part of the County Tax that was levied July 1 and due September 15.

TOWNSHIP OF FORESTER, SANILAC COUNTY
Notes to the Financial Statements
March 31, 2006

NOTE 6 - RISK MANAGEMENT:

The Township is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The Township carries commercial insurance to cover any losses that may result from the above-described activities. For insured programs, there has been no significant reduction in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

NOTE 7- GASB 34:

The Township chose not to adopt GASB 34, which is required by Generally Accepted Accounting Principles (GAAP). This departure from GAAP is also noted in the audit report letter.

NOTE 8 – SUBSEQUENT EVENTS:

At a special meeting held March 13, 2006, the board approved a motion to file an application with the USDA Rural Development/Rural Utility Services (RD/RUS) for a loan and grant to construct a drinking water system in the township.

FINANCIAL STATEMENTS OF INDIVIDUAL FUNDS

TOWNSHIP OF FORESTER, SANILAC COUNTY

Schedule of Changes in Assets and Liabilities

All Agency Funds

For the Fiscal Year Ended March 31, 2006

	CURRENT TAX COLLECTION FUND			
	<u>BALANCE MARCH 31, 2005</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE MARCH 31, 2006</u>
<u>ASSETS</u>				
Cash	\$ -	\$ 1,688,129	\$ 1,688,129	\$ -
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 1,688,129</u>	<u>\$ 1,688,129</u>	<u>\$ -</u>
 <u>LIABILITIES</u>				
Due to other funds - other units	\$ -	\$ 1,688,129	\$ 1,688,129	\$ -
TOTAL LIABILITIES	<u>\$ -</u>	<u>\$ 1,688,129</u>	<u>\$ 1,688,129</u>	<u>\$ -</u>